

Message Text

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ACTION NEA-11

INFO OCT-01 ISO-00 SCS-06 CA-01 L-03 H-01 HA-05 SY-05
EB-08 NEAE-00 SSO-00 PPT-01 COME-00 /042 W
-----000541 171436Z /43
O R 171343Z MAY 78
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC IMMEDIATE 2078
INFO AMCONSUL DHAHRAN
USLO RIYADH

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FOLLOWING SENT ACTION JIDDA, INFO USLO RIYADH FROM AMCONSUL DHAHRN
17 MAY 78 REPEATED FOR YOUR ACTION/INFO.

QUOTE

E.O. 11652: N/A
TAGS: CAPS CASC (MACDONALD, JOHN L.) SA
SUBJECT: JOHN MACDONALD

REF: (A) STATE 122961, (B) DHAHRAN 0539

1. DHAHRAN BELIEVES ADVERTISEMENT IN WASHINGTON POST BY
JOHN MACDONALD ON MAY 15 MISREPRESENTS THE FACTS OF THE
CASE AND IS INDICATIVE OF THE MANNER IN WHICH MACDONALD
ATTEMPTED TO RESOLVE HIS COMMERCIAL DISPUTE.

2. ON NOV 29, 1977 JOHN MACDONALD INFORMED CONSOFFS THAT
HE WAS INVOLVED IN A SERIOUS BUSINESS DISPUTE WITH HIS
SAUDI PARTNERS AND HIS PASSPORT HAD BEEN TAKEN INTO
CUSTODY. THE DISPUTE INITIALLY WAS OVER WHO WOULD PAY
FOR THE ERECTION OF A PREFABRICATED PLANT. CONGEN AND
DAMMAM CHAMBER OF COMMERCE MADE SEVERAL ATTEMPTS TO
MEDIATE THE DISPUTE IN EARLY DECEMBER, BUT WERE NOT
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SUCCESSFUL. ON DEC 13, THE LOCAL TRIBUNAL FOR THE
SETTLEMENT OF COMMERCIAL DISPUTE BEGAN HEARINGS ON
THE CASE. DURING THESE HEARINGS, THE DISPUTES BOARD
MADE REPEATED EFFORTS TO MEDIATE THE DISPUTE. BOARD
MEMBERS SEEMED INCREDULOUS THAT MACDONALD WOULD NOT
AGREE TO SPLIT THE \$28,000 ERECTION WITH HIS SAUDI
PARTNERS, SINCE IT WAS COSTING BOTH PARTIES MORE

MONEY TO DELAY AND ARGUE THAN THEY WERE DISAGREEING OVER. THE DISPUTES BOARD FINALLY RULED ON JAN 7, 1978 AND FOUND MACDONALD LIABLE FOR THE DELIVERY AND ERECTION OF THE PREFABRICATED PLANT, CITING A CONFIDENTIAL MEMORANDUM ATTACHED TO THE ORIGINAL LETTER OF CREDITY BY AN INTERNATIONAL BANK AS THE PRIMARY REASON FOR THIS DECISION. CONGEN WAS THEN INFORMED BY THE EASTERN PROVINCE EMIRATE THAT AS SOON AS MACDONALD HAD SUCCESSFULLY MADE ARRANGEMENTS TO CARRY OUT DECISION OF DISPUTES BOARD THE EMIRATE WOULD ARRANGE HIS IMMEDIATE DEPARTURE FROM SAUDI ARABIA.

3. MACDONALD, HOWEVER, DID NOT REGARD THE DECISION OF THE DISPUTES BOARD AS BEING EQUITABLE AND APPEALED HIS CASE TO THE KING, THE MINISTRY OF COMMERCE, AND THE MINISTRY OF THE INTERIOR IN RIYADH ALL AT THE SAME TIME. HE ALSO MADE NEW COUNTER-CLAIMS AGAINST HIS SAUDI PARTNERS AND MADE SERIOUS ALLEGATIONS OF MISCONDUCT AGAINST SEVERAL LOCAL OFFICIALS.

4. THE RESULT OF MACDONALD'S ACTIONS WAS TO HAVE THE CASE FILE ORDERED TO RIYADH BEFORE HE WAS ABLE TO CARRY OUT THE VERDICT OF THE DISPUTES BOARD AND CONGEN WAS ABLE TO SECURE HIS RELEASE LOCALLY. THIS WAS PARTICULARLY UPSETTING TO CONSOFFS WHO HAD LIMITED OFFICIAL USE

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REPEATEDLY CAUTIONED MR. MACDONALD THAT SUCH APPEALS WERE LIKELY TO PROLONG ANY FINAL SETTLEMENT OF THIS DISPUTE BY SEVERAL MONTHS AND WHO HAD ADVISED MR. MACDONALD TO FIRST SECURE HIS RELEASE AND THEN HAVE A LAWYER MAKE WHATEVER APPEALS HE MIGHT FEEL APPROPRIATE.

5. NEITHER CONSOFFS NOR THE SAUDI POLICE WERE ABLE TO LOCATE MACDONALD'S ORIGINAL PASSPORT AND A REPLACEMENT PASSPORT WAS ISSUED.

6. DHAHRAN FOLLOWED MR. MACDONALD'S CASE VERY CLOSELY PRIOR TO ITS TRANSFER TO RIYADH AND AT NO TIME DID HE APPEAR TO BE A VICTIM OF PERSONAL HARASSMENT, PERSECUTION, OR INHUMANE TREATMENT. FROM TIME TO TIME HE WAS BROUGHT TO THE LOCAL POLICE STATION CONCERNING ROUTINE ADMINISTRATIVE MATTERS (NORMAL PROCEDURE) AND ONCE WAS DETAINED FOR FOUR HOURS UNTIL A NEW SPONSOR WAS FOUND FOR HIM. AT NO TIME DID THE SAUDI POLICE ATTEMPT TO DETAIN MR. MACDONALD BECAUSE HE WAS INVOLVED IN A COMMERCIAL DISPUTE. DHAHRAN HAS NO EVIDENCE

CONCERNING HIS CHARGES THAT HIS CALLS WERE MONITORED,
HIS MAIL CENSORED, HIS ROOM SEARCHED, AND HIS BEING
PLACED UNDER SURVEILLANCE. HOWEVER, IN THE PAST
THIS HAS NOT TO OUR KNOWLEDGE OCCURRED, EVEN IN
SERIOUS CRIMINAL CASES. DHAHRAN FELT NEITHER THE
BITTERNESS OF THE DISPUTE NOR THE INSISTENCE BY
LOCAL AUTHORITIES THAT MACDONALD FULFILL THE OBLIGATIONS
OF THE COURT PRIOR TO HIS DEPARTURE FROM SAUDI
ARABIA TO BE A VIOLATION OF SAUDI LAW OR INTERNATIONAL
PRACTICE. BUSHNELL. UNQUOTE.
WILEY

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